

June 4, 2018

Members present: Mr. Landon, Mr. Huddle, Mrs. Blevins.

With a quorum present, Mr. Landon called the meeting to order at 7:15PM.

Minutes of May 22, 2018 and February 5, 2018 were read; Mr. Huddle moved to approve, Mrs. Blevins 2<sup>nd</sup>. Roll call: Ayes: Mr. Landon, Mr. Huddle, Mrs. Blevins, motion carried.

**Minutes of May 22, 2018 and February 5, 2018 are approved.**

**Item 1. Liquor Permit – Tommy’s Creations: 141 E. Center Street**

No objections from Fire or Police Chiefs.

Mr. Huddle moved to take no action, Ms. Blevins 2<sup>nd</sup>. Roll call: Ayes – Mr. Landon, Mr. Huddle, Mrs. Blevins. Motion carried.

**COMMITTEE TOOK NO ACTION RE TOMMY’S CREATIONS**

**Item 2. AMENDED ORDINANCE REGARDING 943.02 SERVICES PROVIDED BY MUNICIPALITY BILLED TO PROPERTY/PARCEL OWNER**

Service Director Caryer explained that service is provided to a property and this allows city to deal directly with property owner for billing purposes (rather than transient population). It is up to the property owner how they would prefer to pass this along to the tenant. If bill is unpaid, city would still work through Law Director and court system for collection. There is a state law that allow municipalities to assess property owner for storm water and sewer. This is not allowed for sanitation. There is pending legislation at the state that would allow municipalities to assess unpaid sanitation to the property owner property taxes (S.B. #181). Possible action is expected in the next couple of weeks. Unpaid bills cannot be assessed on property taxes.

Mayor Schertzer stated that the Ohio Municipal League (representing cities, villages, and municipalities in the state of Ohio) supports Senate Bill #181. There is a process for passage and implementation, things could change during that process, and it may take some time. He indicated that he personally is in favor of this.

Ron Sanderson (property owner) stated that the city is making property owners the collection agency. He states that the sewer and sanitation departments are not doing the work to collect and that they are shifting the burden. He does not live in the city of Marion, but can make sure tenants know who voted for this legislation and raised their rent and what political affiliation they were.

Service Director Caryer stated that the property is what generates the trash and we provide the service to the property. If the property owner chooses to run a business out of it, the property owner has certain responsibilities to run that business. Having the city run their business for them is not appropriate. If I am a property owner and own 10 properties, and I have to evict someone who owes back money. If that person comes back and wants to rent another property. I would not rent to them. They expect city if

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they bring in renter that owes back sanitation, then we still provide that service to that renter who already owes us money. We cannot allow trash to build up. It is a safety issue and a health issue. It is the responsibility of each property. We are not raising anyone's rent. The total outlay should be the same, whether it is coming from renter or property owner, the total cost is still the same.

Melinda Johnson (property owner) stated that she is also a business owner. She provides the renters a service just like other utilities. We collect from places when they owe us money. I would not rent to someone again if they did not pay. I have had to collect. It is a service. I am providing them a dwelling. The utility companies are providing a service. You are coming back on us because you cannot get the money from those people.

Mark Freyhoff (property owner) stated that he has several properties. He has several dumpsters. He is already collecting trash for a lot of people because it just shows up. People are dumping in his dumpsters. He has no recourse because it just shows up. He is already paying for it. He has to pay extra for the mattresses, couches, and other furniture that just shows up. He feels that this is a new tax. It costs \$22 for sanitation. If you are going to pass that burden on to us, it is a new tax. If they are not paying it to you, it is unlikely that they will pay it to us unless we raise the rent. That is just shifting the burden of responsibility for them to be the collector. He will pass cost on to the federal government as part of his agreement with Metropolitan Housing for the 20% of his business that qualifies. What other alternatives were considered? Could a general dumpster be put out in the middle of the city? People pull up in their cars and put trash in his dumpster. I hate to see burden shifted to small sector of business. Government agencies just go collect money somewhere if they need more money. You are passing burden on to us and we have to deal with it. Why do not you shift it to the people who area already paying their trash bills? How much is the total of this burden out there? Is it a lot or are you just trying to pick up some additional change? What else was considered? Let's just piggy back on SB #181. Let's go after the people who are paying their taxes. Forget those people who are not paying and go after these people who are.

Service Director Caryer stated some other alternatives considered from other cities, including licensing for rental properties. He is not in favor of more governmental oversight. You have to have a license for your rental properties, a permit to rent, fire department inspections, utility inspections, and more government employees. The government does not need to get involved in collecting more fees. Overall, this should not be costing any more money – whether it comes from the renter or the landlord. We have good landlords in town who put all of that cost into the rent. We also have some landlords who are less scrupulous. Every day we have people come up to the billing unit and ask to not put any money on sanitation, but pay sewer and storm water to avoid eviction. That is no the majority of the landlords, but obviously there are a number of landlords that feel that way. It takes the burden off of them, but we are continuing to provide the service to that property to protect the health and safety of our community.

Ron Sanderson (property owner) stated that he disagrees with the statement that this is "not going to cost any more." You are saying our time does not matter because it is not a paid employee to do that job. You are putting it on business owners throughout Marion who manage this business. Time is the one limiting factor that we all have. We have to

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find the time now to collect all that and make sure it gets paid for them. Since we already have leases in place and the bill does not go through the state and our leases state that sanitation is their responsibility, how can we come between him and a tenant and break a contract?

Service Director Caryer stated that it is stipulated that goes into effect for account changes after 09/01/2018 or by 06/01/2019. He stated that the effective dates can be modified or lengthened. That would give every contract at least a year before it would have to be changed.

Mr. Huddle stated that he is also a property owner and it is an issue with him too. When he found out that he was ultimately responsible for sewer and storm bills, he raised his rents to accommodate that because he paid that because he got stuck with that. On sanitation, he did not realize and he went and looked up some of his renters when he found out this was happened. He was surprised at how many were behind on sanitation. He had some that were 10 years and he would not want to make any changes until he changed that renter down the road. Would these be grandfathered also?

Service Director Caryer stated that council could stretch this out as far as they want. He suggested over about a year. Even if it was stretched out 2-3 years, it is still a better way for the city to do business. At some point in time, we need to change our business practices.

Service Director Caryer clarified that if someone has four or more units, they can do their own trash and contract with a private hauler. If less than four, they are required to use city service.

Charlie Blevins (resident) clarified that this is for trash only (sanitation). Heavy trucks are tearing up alleys that are not being kept up and then the residents who really need them for parking cannot use them. Should this be allowed because of the damage they are causing? He thinks there should be an additional cost to those people who are doing the damage and he thinks maybe city should mandate that the city pick up all trash rather than these commercial haulers. There are some good landlords who take their business seriously, and take care of their properties. However, the city should do something about slum-lords.

Sulu Kelly (resident and property owner) stated that he has some concerns about the effective date as proposed. June 2019 does not allow 12 months for implementation on new contracts. Service Director Caryer clarified that the effective date could be determined. He suggested that you might want to apply to effective date of the legislation. He suggested considering certain situation with eviction. For instance, tenant never sets out trash while living there and landlord puts out after eviction and gets charged a set-out fee. Could the set-out fee be waived? Not fair to be double billed. Also, give us the option of private collection if we think we can get it done cheaper. It would make it more agreeable if we had that option. You could specify that it has to be collected every week. What is the percentage of collection rate on residential home owner vs. tenant? Service Director Caryer said that he would need to check, but clarified that does not meant that there are not resident owners who are delinquent. Mr. Kelly wants an answer on that because you are targeting rental properties. When you say that

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total cost will not be changed, that is wrong. Landlords still have to pay even when the tenant does not pay (as in situation of tenant in process of nonpayment and eviction process). I will raise rent and I will collect more than the cost to account for non-collections and to allow for our time to pay. It will cost tenant more, I guarantee you that. I have told a tenant before when they had a tax levy sign in their yard that if passed that their rent could go up, and they took that sign down. They will pay, not me.

Ron Sanderson (property owner) had concerns about effective dates and the responsibility of accrued bills. Will those liabilities come on the backs of the landlord.

Service Director Caryer clarified that system will separate on effective date. Landowner will only become liable once that date passes and moving forward.

Mrs. Gustin asked about residents who repeatedly put out large items and the property owner's responsibility.

Service Director Caryer stated that, by law, special pickups are assessable to property owner.

Mark Freyhoff (property owner) stated that this is a new tax without a vote. Trash needs to be competitive. He has a 16-unit complex and would be allowed dumpsters and could contract for private hauling. \$50 special pick up is a good rate for the big clean outs and he is in favor of that. It is wrong to put this burden on to the land owners in this community. He believes that 50% of houses are renters. You are pushing burden over because those folks are not paying it. It costs \$450 to evict someone. Their deposit will not cover that after he pays the clean-up and clean out and all the different things. This is a new burden. I am totally opposed to it. There has got to be a better way than trying to piggy back on SB 181. Council needs to review this and vote on it. He's gone to dumpsters because it is better for him to do that than to pay for individual trash bills for residents. I am paying for other trash that is being dumped in my dumpsters. I am not getting any kick-backs from any city people. I am paying for bedbug extermination. 20% of homes in this community have bedbugs. We have a community of people who are not responsible. All we are going to do is ignore that and ship this financial burden to the people who are already paying the bills. I do not like it. These people are already getting their house paid for and everything else paid for and now we are going to pay for their trash too.

Sulu Kelley (property owner) asked about other allowances. If we could turn water on and not trash, like when we are doing clean outs, so that we can have the toilet and clean paint brushes when we are not really generating large amounts of trash. We could be hauling trash away ourselves (nominal amount of trash) while we are preparing property for new tenants. I do not need any trash pick-up. Water would be nice. I do not like to haul in jugs of water. That type of concession would be nice. The sewer bill would come back on us. That is a given.

Service Director Caryer stated that by ordinance you cannot privately haul your own trash.

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Ron Sanderson (property owner) asked questions related to fairness to landlords with triplexes (which he owns). If someone lives in a home and there are 3-4 people living there and you are charging them \$22, why are you charging me \$66 for a triplex. A duplex is \$22. If you have the same number of people living in a home, it is a single residence. You are discriminating against us again. Hit us hard based on the number of units even if there are less people. We still have to pay it. You also need to look at that as far as equity. Why does someone in a single-family home with 8-10 people is paying the same trash bill for \$22 that you are charging \$66 or more?

Service Director Caryer stated that, by state code, 4 units are more are a commercial property. The city has used that as a guideline. Maybe that is something that council could consider.

Randall Hunt (property owner) asked about land contract properties and if the buyer or seller would be held responsible. The properties are still listed in their name. They are the mortgage holder. Auditors office records would point to them as the owner.

Law Director Russell stated that the buyer does not get title until all terms are met. His opinion is that the purchaser would be responsible to pay assessments. Land contract should have some provisions regarding responsibility. He specified that he could not speak for the county auditor.

Charlie Blevins (resident) stated that he always thought that land contracts should stipulate all of that in the contract. He also thinks that contracts are supposed to be recorded at the court house.

Glen Newell (property owner from Delaware Ohio) asked for clarification on the delinquent sanitation bill collection procedure. He knows people who owe \$900 and more and it has not been followed through. When you want your money, you put it on us. We'll just put it on your taxes. People in Marion are not rich. They do not have the industry here that they have in other places. You want us to raise our taxes or our rent up \$20. They cannot even pay their rent right now without paying the extra \$20. This should be up to the city to get their own money for their bills. It is your responsibility to pick up the trash. This is not Delaware and Columbus. We cannot get the rent out of our properties that you can get out of properties in Delaware and Columbus. We are going to take the hit on this. They are not paying you and you are not doing anything about it. You have no recourse in getting the money. You are making up your own law right now. I am upset about the whole thing that you want to put it on us, because you are the guy providing service. If you do not want to provide the service to them, do not provide it. Let the whole yard fill up with trash and let rats run around. You will not even cut the weeds.

Mrs. Honaker (Utility Billing Supervisor) clarified that the city initially mails a collection letter and allows 30 days to make payment or payment arrangements. If no contact, they refer to Law Director for legal action.

Law Director Russell further explained that they file, take judgement, and they collect.

Service Director Caryer stated that rental properties are a business and you have certain responsibilities for that property. The city does not supplement other businesses. That



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property has a responsibility to the community. This is a safety and sanitation issue. However a property owner wants to run that business is up to the property owner. It is the property's responsibility. That is where we wish to put it back to us. We provide the service to the property. If the property owner wishes to run that property owner as a business, that is their choice. A property owner has a responsibility. We provide a service to the property.

Ron Sanderson (property owner) asked the number of cases on collection and garnishment for delinquent sanitation bills.

City Law Director Russell stated that he could only approximate and requested the opportunity to consult his records and respond on the next day. He was pressed for estimations. He believes generally he has about 800 cases annually, 600 judgements (usually do to no show in court) and approximately 200 new garnishments each year.

Ron Sanderson (property owner) stated that several years ago council asked the landlord to collect data from tenants and provide to the city to assist with collection – included driver's license, social security number, employment, next contact number. Most of us do that when we do a lease. We were assured that if we did this, that you would handle the collections. If we went to that extra effort, you would make an effort. How is this different than electric, gas, etc. You are asking us to add it to our rent, collect it and then send us a check. No other utility company does that for you or expects that from us in this business model that you are talking about. There are no other public entities asking us to do that. I have a problem again.

Service Director Caryer stated that utility companies can shut off utilities. We cannot stop picking up trash. If we shut of trash, you think it is bad now with dumpsters getting filled up. It would be worse. Empty houses would be full of trash and rats. And now we have a sanitation issue. We cannot stop picking up the trash.

Robin Spect (property owner, 3768 Green Camp Essex Road) stated that you keep saying that we need to run it at as a business. You need to run city as a business. I do not know any other business that has someone else collect their payments for them. You are saying we are responsible for those people. We cannot be responsible for them. I do not want to be responsible. I cannot come to the city and say they did not pay their rent this month could you pay it for them. That is what you are asking us to do. I do not want to be responsible for those people. I do not want to be responsible for anyone but me. If you can come after me for his payment, why cannot I come after you when he does not pay me? You want to make it someone else's problem.

Mr. Landon stated that he sees the landlord as a 2<sup>nd</sup> responsible party, like a cosigner or a coborrower. They have an obligation to provide this service.

Glen Newell (property owner) said that they cannot hear in the audience. He requested a device and that members not talk among themselves and provide a microphone so that people can hear.

Minutes of Legislation Codes & Regulations Meeting

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Randall Hunt (property owner) said that he cannot hear either. We are a business. There are tax breaks for business that expand, but nothing for landlords who are making a major investment. Where is our tax break?

Mayor Schertzer pointed to CRA, the Community Reinvestment, through regional planning is out there. It is not encompassing of entire city, just specific census tracts in the city. When you make those kinds of improvements that increase property value of home, you can get a CRA application to see if you can apply. Great program for residential property owners in town.

Mr. Huddle made motion to recommend to full council, Ms. Blevins 2<sup>nd</sup>. Roll call: Ayes – Mr. Landon, Mr. Huddle, Mrs. Blevins. Motion carried.

**LEGISLATION GOES TO COUNCIL WITH A 3-0 RECOMMENDATION**

**Items not on the agenda: NONE**

There being no further business, Mr. Landon adjourned the meeting at 8:12PM.

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Chairman Landon

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Clerk of Council